

## Action plan for government: Action? Plan? For government?

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The initial three months of the Yushchenko government resulted in production of a draft Program of Action of the Cabinet of Ministers, Reform for Well-being, prepared, as it was officially stated, in accordance with the Constitution of Ukraine and the President's Address to the parliament on February 22, 2000, Ukraine: Towards the XXI Century. The Strategy of Economic and Social Development for 2000 - 2004.

Article 13 of the Constitution stipulates that the state provides for protection of rights of all subjects regardless of their form of ownership and economic status, and guarantees social orientation of the economy. Accordingly, social orientation is the key point of the new draft program, and development of human potential is defined as the top priority for the government's policies.

On Monday, March 13, 2000, the draft Program was presented to the parliament. The document's initial steps towards its adoption by the legislature through parliamentary committees, factions and individual MPs' attitudes were rather difficult ones. Without any intention to turn to superstitions about the figure 13 and the bad luck of starting something on Monday, one may interpret the recent developments and comments made by representatives of the whole spectrum of Ukraine's political class as indications of certain difficulties both the government in general and its new program of action in particular may have to face.

Notwithstanding the abundance of informal speculations and hits about possible resignation of the government, it looks like the current suspended situation is likely to last for a relatively long time, for there are hardly any volunteers to inherit the currently uncomfortable top executive seats right now. In addition to having to come to terms with the IMF, pay up some debts and live under pressure of the general economic crisis (to which, in fact, everybody seems to get accustomed), the government faces the traditional season's challenges of ensuring that the spring farming works are completed on time and, later in the year, that the harvesting is organized and financed. These critical and traditionally disastrous tasks for Ukraine's executive branch need a ready answer for the question first formulated by the Russian classic as Who is to blame?

Critics of the government's draft program mainly focus on the document's declarative nature and the lack of specific terms. Remarkably, the comments of right-wingers, the centrists and the left are more or less similar. For instance, one of the parliament's leaders Oleksandr Volkov (Vidrodzhennya Rehioniv faction) bluntly re-phrased the title of the Cabinet's draft program: I see neither reform, nor well-being in it. For I do not know how it could be achieved from there. Concrete changes must be added so that we could adopt the program (Molod Ukrainy, 21 March 2000). Meanwhile, Ukrainian left-wingers simply state they do not want to vote for the government's program. The Communist party's recently disseminated statement argues that the program, prepared by the so-called reformist government of Victor Yushchenko, only declares loud wishes and intentions without any economic justification, any specific actions, any specific terms, amounts and sources of funding and material and technical provisions (Communist, 12 March 2000). Yet, notwithstanding the massive criticism, during discussions in committees and factions members of the parliament have already proposed over 150 comments and amendments to the draft program. If the program is approved, the government and the parliament will share solidarity responsibility for implementing the document's provisions (although it is not clear what practical implications of the solidarity responsibility will be). Yet, chances that the program will be really implemented in full cause some doubt.

A number of analysts argue that the shower of criticism originates primarily from some political forces, offended when the seats in the new government were distributed. However, this argument contains but part of the truth, while the real problem is deeper and simpler at the same time. The situation with discussion of the government's program and bargaining over amendments and changes has highlighted numerous conflicts of a variety of political and economic interests and personal ambitions.

Yet, generally speaking, the approval of the government's program is not critical for the government's performance. The program of action of Ukraine's most infamous former Prime Minister, Pavlo Lazarenko, was adopted by the eager predominant majority of the parliament on October 15, 1996 (parliamentary resolution No. 412), but practical solution of the most acute economic and social problems of the state's development, promised by the program, was doomed to remain a good intention. The previous government, led by Valery Pustovoitenko, had been in office for two years (the

longest term since 1992) without any formal program of action approved by the parliament - and without any positive social and economic change.

The current government's proposed program of action, Reform for Well-being, is being criticized for being vague. Instead, Prime Minister Victor Yushchenko argues that the major drawbacks of the program are its strengths. The program is brief. Critics accuse its authors of being declarative. It was meant that way... (Ukraina Moloda, 21 March 2000). The natural question is whether all that was means that way can be really implemented, can guarantee 'creation of conditions for lasting, spiritually complete life as the draft stipulates. The very contents and criteria for a spiritually complete life also remain unclear.

Though, back from the sphere of spirit to practical specific things supposed to be reflected by the program, there is similarly little clarity. The draft is divided into several sections: Evaluation of Economic Situation of Ukraine, Strategic Goals of the Government's Policies, Priority Tasks for the Government, and Expected Results of implementing the Program. The document announces a human being to be the utmost value in the state and, therefore, argues that creation of adequate conditions for human potential development is the priority goal of the government's policies. How these good intentions to develop social policy and stress human development may be implemented with the help of that document and how their implementation will be promoted by activities of this government?

According to the document, the government's strategic goals include, among other things, human potential development and reduction of poverty level and multiplication of the nation's wealth. Criteria for achieving this goal are specified as increasing budget appropriations for health care, education and science, availability and high quality of medical and educational services. Meanwhile, the government's recent version of the draft state budget, approved by the parliament last month, shows severe shortage of funding of all these fields. For instance, the Ukrainian science will get only 0.35% of the GDP which raises doubts about its capacity to ensure the declared increase in spiritual and intellectual potential of the society, at least in 2000.

Some eyebrows have been raised by the government's social policy ideas for the nearest years. Article 31 of the 2000 state budget stipulates suspension for 2000, of some provisions of the Law of Ukraine on the status and social protection of citizens who suffered as a result of the Chernobyl catastrophe.

However, the government's program of action promises to provide addressed benefits and compensations to individuals who suffered as a result of the Chernobyl catastrophe by means of providing special medical aid primarily to the disabled and the ill... pay up compensation arrears accumulated in recent years. Possibly, the state budget and the program were drafted by different governments, have suggested a number of the national newspapers, commenting on the situation. According to the draft program, the government will do its best in countering the complex issue of growing unemployment. The chapter on Evaluation of the Economic Status of Ukraine admits that the level of unemployment in Ukraine is growing and quotes the official figure as 1.2 million. The similar figure is given by the Ukrainian Employment Center, while the accurate estimates for the real level of unemployment are unavailable. While the government declares intention to counter the problem, it looks like the anti-unemployment campaign will hardly begin before 2001. At least this date is indicated in the government's Measures for Ensuring Implementation of the Program of Action of the Cabinet of Ministers of Ukraine. The instrument of implementing this task is defined as drafting a Cabinet's resolution On the General Scheme of Creation of New Jobs. The terms are not specified, but the next instrument, the State Program of Employment of the Population for 2001-2004 suggests that the general scheme may be developed next year. In the chapter on Expected Results of Implementing the Program the government promises ensuring productive employment of the population and creation of 1 million of jobs. Given the current level of official unemployment, the problem of hidden unemployment and the tendency to growth, these declarations, even if fulfilled, seem unable to solve the problem completely.

Some questions arise in connection with the declared achievement of the guaranteed level of free medical care to the population. Also, the Reform for Well-being undertakes to guarantee comprehensive secondary education to everyone. Meanwhile, these provisions are granted by the Constitution of Ukraine and are not the government's know-how. Article 49 of the Constitution reads that the state creates conditions for effective and available for all citizens medical service. At state-owned and communal health care facilities medical aid is given free of charge; the existing network of such facilities cannot be reduced. Article 53 of the Constitution stipulates that the state provides for available and free pre-school, full general secondary, professional-technical, higher education at state and communal educational institutions. According to the Measures to Ensure the Implementation of the Program of Action of the Cabinet of Ministers of Ukraine, the method of improving the current health care system is specified as drafting relevant legislature, such as the Program of Development of Health Care till 2010. Specific terms are not given. No deadlines are set for development and adoption of the

document On the Program of State Guarantees for Providing Citizens of Ukraine with Free Medical Aid . It should be added here that the principle problem of the Ukrainian legislation is not the lack of an adequate legal framework, but the lack of implementation mechanisms and procedures. If one looks at the problems of health care in Ukraine from the perspective of quality of free public health care, declared by the Constitution, one may note subsequent bills, such as the previous Cabinet's resolution on introduction of fully-paid no-emergency measures like tests and other services that in fact left little room for free health care. The scarcity of budget appropriations for health care in 2000 adds more doubts about plausibility of the program's declarations.

Furthermore, there are certain doubts about the mechanism and effectiveness of achieving the targeted growth of real personal incomes by 1.3 or 1.4 times compared to the 1999 level. The figures, notwithstanding the magic word growth , give little reason for optimism: in January 2000, an average monthly salary stood at UAH 180,97 (about US\$ 33), 17.3% less than in December 1999. Will the declared growth make a real difference, especially given the inflation and the price rise, and will it contribute substantially to the declared increase of purchasing power of the population ?

There are many more similarly declarative formulations in the draft program. It is hard, for instance, to object to the need to increase competitiveness of the national economy, but the tasks in that field, set by the draft program, represent almost a replica of relevant paragraphs of the President Kuchma's annual address. Notwithstanding promises that the declarations made in the President's annual address to the parliament will be given detailed implementation mechanisms in the government's action plan, the repeatedly declared in the new draft program creation of macroeconomic conditions for growth , opening up entrepreneurial potential of the nation , domestic market development , structural improvements , investment and innovation policies , export development , alongside with the goal of promoting Ukraine's integration into European institutions, there was no room for specific measures to be taken to achieve these goals in the list of Measures for Ensuring Implementation ... of the government's program. And, it is absolutely unclear whose task it is to recognize Ukraine's status as a market economy . Remarkably, the draft program defines a number of unfavorable circumstances and objective obstacles - from insufficient societal support and non-constructive position of some opponents of the reforms alienated by the abolition of their privileges, to creditors' refusal to restructure Ukraine's debts and crisis trends in global commodity and financial markets - that may have a negative impact on successful implementation of the program. Hence, a natural question is whether the declared intentions are really meant to be implemented. Do we see yet another protocol of the government's good intentions that provides no set terms and deadlines, or specific government's initiatives designed for reforming the country's economy and achieving positive societal transformations? How effective the Measures for Ensuring Implementation of the Program... will be, if most of them are limited to drafting new bills and amendments to existing legislature, i.e., if they objectively rely on substantial amount of work to be done by the parliament that tends to be remarkably inefficient in the time of election campaign expected to start no later than in early 2002. After approving the government's program of action, the parliament will not be able to initiate the dismissal of that government within one year since the program is approved, but it cannot stop the President from making the government to resign - provided there are politicians willing to undertake responsibility for leading the state's executive branch.